

1 AN ACT relating to consolidated emergency services districts and making an
2 appropriation therefor.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
5 READ AS FOLLOWS:

6 *For the purposes of Sections 1 to 13 of this Act:*

- 7 *(1) "Board" means the board of trustees of a consolidated emergency services board;*
8 *(2) "Chief" means a chief executive officer appointed by a board to manage the*
9 *affairs of a consolidated emergency services district;*
10 *(3) "Committee" means an advisory committee appointed by a county*
11 *judge/executive of a county or chief executive officer of a county to advise the*
12 *board of trustees;*
13 *(4) "District" means a consolidated emergency services district, established in*
14 *accordance with Section 2 of this Act; and*
15 *(5) "Trustee" means a member of the board of trustees of a consolidated emergency*
16 *services district.*

17 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
18 READ AS FOLLOWS:

- 19 *(1) A consolidated emergency services district may be formed in any county by one*
20 *(1) of the following processes:*
21 *(a) Any county, consolidated local government, charter county government, or*
22 *unified local government desiring to create a consolidated emergency*
23 *services district, shall pass an ordinance proposing the establishment of a*
24 *consolidated emergency services district and inviting any city or relevant*
25 *special district to join;*
26 *(b) Any city which operates a regular fire, ambulance, emergency medical*
27 *service, or rescue service desiring to create a consolidated emergency*

- 1 services district shall pass an ordinance agreeing to the formation of a
2 consolidated emergency services district and requesting the city's admission
3 to a consolidated emergency services district; or
- 4 (c) The governing body of any fire protection district established under the
5 provisions of KRS Chapter 75 or 273, any special district whose services are
6 subject to the licensure provisions of KRS Chapter 311A, or any rescue
7 squad established under the provisions of KRS Chapter 39F may pass a
8 resolution agreeing to the formation of a consolidated emergency services
9 district and requesting the special district's admission to a consolidated
10 emergency services district.
- 11 (2) (a) One hundred eighty (180) days after the passage of the ordinance required
12 in subsection (1) of this section, the relevant governing bodies that have
13 requested the formation of a consolidated emergency services district and
14 admission in the consolidated emergency services district shall file a joint
15 petition in the county clerk's office of the county in which all of the special
16 districts and the territory to be merged into one (1) district, or the greater
17 part of the district, is located, describing the territory to be merged into the
18 consolidated emergency services district and setting out the reasons for the
19 merger.
- 20 (b) The fiscal court clerk shall notify all planning commissions, cities, and area
21 development districts within whose jurisdiction the proposed service area is
22 located and any state agencies required by law to be notified of the proposal
23 for the creation of the taxing district.
- 24 (c) The fiscal court clerk shall schedule a public hearing by the fiscal court or
25 the legislative body of the county on the proposal for no earlier than thirty
26 (30) nor later than ninety (90) days following receipt of the petition, charter,
27 and plan of service, and shall, in accordance with the provisions of KRS

1 Chapter 424, publish notice of the time and place of the public hearing and
2 an accurate map of the area or a description in layman's terms reasonably
3 identifying the area.

4 (d) At the public hearing, the fiscal court or the legislative body of the county
5 shall take testimony of interested parties and solicit the recommendations of
6 any planning commission, city, area development district, or state agency
7 meeting the criteria of paragraph (b) of this subsection.

8 (e) The fiscal court or the legislative body of the county may extend the
9 hearing, from time-to-time, for ninety (90) days from the date of the initial
10 hearing and shall render a decision within thirty (30) days of the final
11 adjournment of the hearing.

12 (f) Following the hearing, the fiscal court or the legislative body of the county
13 shall set forth its written findings of fact and shall approve or disapprove
14 the formation of the taxing district to provide service as described in the
15 plan of service and to exercise the powers granted by the specific statutes
16 that apply to the taxing district being formed.

17 (g) The creation of a taxing district shall be of legal effect only upon the
18 adoption of an ordinance, in accordance with the provisions of KRS 67.075
19 and 67.077, creating the taxing district, and compliance with the
20 requirements of KRS 65.005.

21 (h) A certified copy of the ordinance creating the taxing district shall be filed
22 with the county clerk who shall add the levy to the tax bills of the county.
23 For taxing purposes, the effective date of the tax levy shall be January 1 of
24 the year following the certification of the creation of the taxing district.

25 (i) Nothing in this subsection shall be construed to enlarge upon or to restrict
26 the powers granted a taxing district under the taxing district's specific
27 authorizing statutes.

1 (j) Any aggrieved person may bring an action in the Circuit Court having
2 jurisdiction of that county to contest the decision of the county
3 judge/executive to establish a consolidated emergency services district or to
4 protest the inclusion of any county, consolidated local government, charter
5 county government, unified local government, city, fire protection district or
6 volunteer fire department district established pursuant to KRS Chapter 75
7 or 273, any special district whose services are subject to the licensure
8 provisions of KRS Chapter 311A, or any rescue squad established pursuant
9 to the provisions of KRS Chapter 39F within a consolidated emergency
10 services district.

11 (3) (a) If the governing body of any fire protection district established under the
12 provisions of KRS Chapter 75 or 273, any special district whose services are
13 subject to the licensure provisions of KRS Chapter 311A, or any rescue
14 squad established under the provisions of KRS Chapter 39F desires to have
15 its district become part of a consolidated emergency services district after
16 the creation of the district, it shall by motion so record its desire in the
17 minutes of the board, in the case any fire protection district, any emergency
18 medical services special district, or any rescue squad. The board, or its
19 executive officer, shall convey this request to the district's board of trustees,
20 the legislative body of the city shall pass a resolution to record the city's
21 desire to join the district, and the mayor shall convey this request to the
22 district's board of trustees. The district's board of trustees at its next regular
23 meeting, or at a special meeting held prior thereto, shall vote upon this
24 request.

25 (b) If the legislative body of any city that operates a regular fire, ambulance,
26 emergency medical service, or rescue service desires to have its district
27 become part of a consolidated emergency services district after the creation

1 of the district.

2 (4) (a) If the county consolidated emergency services board refuses, or the two (2)
 3 boards or city cannot agree upon such a proposition of merger of the
 4 independent government entity or city with the district, the question of
 5 merger shall be submitted to the qualified voters of the two (2) districts or
 6 the consolidated emergency services district and the city at the next regular
 7 election if the question is filed with the county clerk not later than the
 8 second Tuesday in August preceding the regular election.

9 (b) If a majority of those voting on the question favor merger, the boards of the
 10 two (2) districts or the city shall jointly develop a plan for adoption of the
 11 merger.

12 (c) If the two (2) boards or the city cannot agree to the terms of merger within
 13 sixty (60) days following the date of the regular election, the county
 14 judge/executive shall develop the terms of the adoption of merger.

15 (d) Notwithstanding paragraph (b) of this subsection, if the independent district
 16 cannot meet its current operating expenses from projected revenue and if
 17 the two (2) boards cannot agree to the terms of a merger, the proposition of
 18 merger shall be submitted to the fiscal court, and the fiscal court shall
 19 determine whether the two (2) districts should be merged, and if merged the
 20 terms thereto.

21 (e) Upon completion of the plan for adoption of the merger, the merger shall
 22 become effective, and the independent district or city shall become a part of
 23 the consolidated emergency services district as set out in the plan.

24 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
 25 READ AS FOLLOWS:

26 (1) A board of trustees shall govern the consolidated emergency services district.

27 (2) (a) The board shall consist of:

- 1 1. One (1) representative appointed by the county judge/executive or
2 chief executive officer of the county containing the district;
- 3 2. a. In counties with a population of thirty thousand (30,000) or less,
4 one (1) representative appointed by the mayor or mayors of any
5 city electing to join the district;
- 6 b. In counties with a population greater than thirty thousand
7 (30,000) but less than seventy thousand (70,000), one (1)
8 representative appointed by the mayors of the largest, second
9 largest, and third largest cities electing to join the district. If
10 there are is no third largest city, then only the largest and second
11 largest city's mayors shall make appointments. If there is only
12 one (1) city, then only that mayor shall make an appointment; or
- 13 c. In counties with a population greater than seventy thousand
14 (70,000), one (1) representative appointed by the mayors of the
15 largest city, second largest, third largest, and fourth largest cities
16 electing to join the district. If there is no fourth largest city, then
17 only the largest, second largest, and third largest city's mayors
18 shall make appointments. If there is no third largest city, then
19 only the largest and second largest city's mayors shall make
20 appointments. If there is only one (1) city, then only that mayor
21 shall make an appointment; and
- 22 3. A number of elected board members that shall be sufficient to provide
23 an odd number of total trustees and be a number sufficient to provide
24 at least a one (1) member majority larger than the appointed trustees.
- 25 (b) The terms of appointed trustees shall be for four (4) years.
- 26 (3) (a) An elected trustee shall be:
- 27 1. At least twenty-four (24) years of age at the time of election;

- 1 2. A citizen of the United States;
- 2 3. A resident of the Commonwealth for at least two (2) years preceding
- 3 the election; and
- 4 4. A resident of both the county containing the district and the trustee
- 5 district in which the person is seeking election.
- 6 (b) Elected trustees shall continue to reside in the county and district that they
- 7 represent through their complete terms of office.
- 8 (c) Elected trustees shall be elected in nonpartisan elections pursuant to the
- 9 regular election laws of the Commonwealth.
- 10 (d) For elected trustees, nominating petitions shall:
- 11 1. Be filed with the clerk of that county for a candidate to serve as
- 12 trustee;
- 13 2. Be filed by the last date prescribed by the election law generally for
- 14 filing certificates of nomination prior to a regular election;
- 15 3. Be filed no later than 4 p.m. local time at the place of filing when filed
- 16 on the last date on which such papers are permitted to be filed;
- 17 4. Be subscribed to by twenty-five (25) or more qualified voters who are
- 18 residents of the territory to be encompassed by the district. Resident
- 19 qualified voters may join in nominating by petition more than one (1)
- 20 candidate; and
- 21 5. State the residence or post office address of each candidate, that he or
- 22 she is legally qualified to hold the office, and that the subscribers
- 23 desire, and are legally qualified, to vote for the candidate.
- 24 (e) The county clerk receiving nominating petitions shall certify the
- 25 nomination and election of members of board.
- 26 (f) The terms of elected trustees shall be four (4) years, except that initially the
- 27 trustees representing odd-numbered trustee districts shall be elected for two

1 (2) year terms. Subsequent terms shall all be for four (4) years. Any
2 vacancies shall be filled pursuant to Section 152 of the Constitution of
3 Kentucky.

4 (g) Unless previously removed for cause in the last four (4) years, an elected
5 trustee may seek reelection to the board for a maximum of two (2) full four
6 (4) year terms. Elected trustees serving two (2) full four (4) year terms may
7 seek election again after a full four (4) year term absence.

8 (h) If no one is nominated for, or elected and qualified to, an open seat on the
9 board, the county judge/executive or the chief executive officer of the
10 county shall promptly fill the vacancy by appointment of a qualified person
11 who shall serve for the same period as if otherwise elected.

12 (4) (a) Any elected trustee, in case of misconduct, incapacity, or willful neglect in
13 the performance of his or her duties of office, may be removed from the
14 board by a unanimous vote of the members of the board exclusive of any
15 member to be removed, who shall not vote in the deliberation of his or her
16 removal.

17 (b) An elected trustee shall not be removed without having been given the right
18 to a full public hearing.

19 (c) The elected trustee, if removed, shall have the right to appeal to the Circuit
20 Court of the county, and the appeal shall be on the record.

21 (d) An elected trustee removed in accordance with this subsection shall not be
22 eligible to fill the seat vacated before the expiration of the term to which he
23 or she was originally elected.

24 (e) A vacancy that occurs as a result of removal under this subsection shall be
25 filled pursuant to Section 152 of the Constitution of Kentucky.

26 (5) Reapportionment of elected trustee districts shall conform to the provisions of
27 KRS 67.045.

1 (6) A quorum of the board shall consist of a majority of its members.

2 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
3 READ AS FOLLOWS:

4 The board of trustees, at the first meeting of each fiscal year, shall elect a president,
5 vice president, secretary, and treasurer. The offices of secretary and treasurer may be
6 held by the same person. The board shall hold its initial selection of officers after the
7 creation of a district at the first meeting of the board once the trustees are elected to
8 office.

9 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) Each appointed trustee shall receive an amount not to exceed one hundred
12 dollars (\$100) for each day or part of the day spent in the performance of his or
13 her official duties, including time spent in necessary travel, and in addition shall
14 be reimbursed for all proper traveling and incidental expenses incurred in
15 connection with those duties.

16 (2) Compensation of elected trustees shall be made pursuant to KRS 64.527.

17 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
18 READ AS FOLLOWS:

19 (1) (a) The county judge/executive or chief executive officer of the county
20 establishing the consolidated emergency services district shall appoint an
21 advisory committee to the board.

22 (b) The committee shall consist of at least three (3) and no more than six (6)
23 persons familiar with the provision of emergency services in the county.

24 (c) The board shall have at least one (1) member who is a:

25 1. Regular firefighter, emergency medical technician, paramedic, or
26 rescue squad member; and

27 2. Volunteer firefighter, emergency medical technician, paramedic, or

1 rescue squad member.

2 (d) Committee members shall be reimbursed actual expenses.

3 (2) The committee shall serve as a repository of technical and historical information.

4 It shall advise the board on issues relating to the provision of emergency services
5 and provide such support and advice as the board may request of it.

6 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) The board of trustees shall oversee the provision of emergency services to
9 residents within the service area of the district and may:

10 (a) Purchase vehicles and all other necessary equipment and employ trained
11 personnel who meet all federal and state requirements;

12 (b) Adopt rules and regulations necessary to effectively and efficiently provide
13 emergency services for the district;

14 (c) Employ a chief;

15 (d) Employ persons to administer the daily operations of the emergency services
16 district;

17 (e) Compensate employees of the district at a rate determined by the board;

18 (f) Apply for and receive available funds from the state and federal
19 governments for the purpose of maintaining or improving the emergency
20 services of the district; and

21 (g) Acquire by bequest, gift, grant, or purchase any real or personal property
22 necessary to provide emergency services.

23 (2) The board of trustees shall comply with KRS 65A.010 to 65A.090.

24 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
25 READ AS FOLLOWS:

26 (1) Upon the creation of a consolidated emergency services district as provided in
27 Sections 1 to 13 of this Act, the trustees of the district are authorized to levy a tax

1 upon the property in the district.

2 (2) A consolidated emergency services district may levy a tax upon the property in the
3 district for the purpose of defraying the expenses of the establishment,
4 maintenance, and operation of fire protection services at a rate not to exceed ten
5 cents (\$0.10) per one hundred dollars (\$100) of valuation as assessed for county
6 taxes.

7 (3) A consolidated emergency services district which provides services that are
8 subject to the licensure provisions of KRS Chapter 311A may levy a tax upon the
9 property in the district for the purpose of defraying the expenses of the
10 establishment, maintenance, and operation of these services at a rate not to
11 exceed ten cents (\$0.10) per one hundred dollars (\$100) of valuation as assessed
12 for county taxes. This levy is in addition to the levy authorized by subsection (2)
13 of this section.

14 (4) A consolidated emergency services district that provides rescue squad services
15 under the provisions of KRS Chapter 39F may levy a tax upon the property in the
16 district for the purpose of defraying the expenses of the establishment,
17 maintenance, and operation of these services at a rate not to exceed ten cents
18 (\$0.10) per one hundred dollars (\$100) of valuation as assessed for county taxes.
19 This levy is in addition to the levy authorized by subsections (2) and (3) of this
20 section.

21 (5) The total tax levy may not exceed thirty cents (\$0.30) per one hundred dollars
22 (\$100) of valuation as assessed for county taxes, for the purpose of defraying the
23 expenses of the establishment, maintenance, and operation of the district for the
24 provision of services established by subsections (2), (3), and (4) of this section,
25 except that any proposed levy beyond the thirty cents (\$0.30) per one hundred
26 dollars (\$100) of valuation is to be placed on the regular election ballot for a
27 simple majority approval or denial by the electorate within the county of the

- 1 consolidated emergency services district. The tax rate set in subsections (2), (3)
2 and (4) of this section shall be subject to the provisions of KRS 132.023.
- 3 (6) The county clerk shall add the levy to the tax bills of the affected property owners.
- 4 (7) The tax shall be collected and distributed by the sheriff to the district in the same
5 manner as the other taxes on the tax bill, and unpaid fees or charges shall bear
6 the same penalty as general state and county taxes. This shall be a lien on the
7 property against which it is levied from the time of the levy. The board, in
8 consultation with the sheriff, shall set a collection fee for the sheriff to retain an
9 amount not to exceed four and one-fourth percent (4.25%) of the levy collected.
- 10 (8) If the district determines that the public interest requires the establishment of one
11 (1) or more public service programs beyond the scope of subsections (2), (3), and
12 (4) of this subsection and that existing revenues are inadequate to reasonably
13 provide for such programs, the district may by resolution determine that one (1)
14 or more questions for the establishment of any such public service program shall
15 be submitted to the electorate of the county. The resolution shall designate with
16 specificity each public service program to be submitted, together with the
17 proposed source of funding therefor, which shall be:
- 18 (a) An ad valorem tax levy of a certain maximum number of cents per each one
19 hundred dollars (\$100) of assessed valuation subject to constitutional limits;
- 20 (b) An occupational license tax subject to the limitations of KRS 68.520 to
21 68.550; or
- 22 (c) A specific fee schedule identifying applicable payor and amount in
23 specificity for the electorate to decide to further defray the costs of its
24 operation.
- 25 (9) The district shall, following adoption of the resolution identified in subsection (8)
26 of this section, cause to be prepared a question for submission to the voters of the
27 county at an election held pursuant to notice as prescribed in KRS 424.130. The

1 election shall be held in conjunction with a regularly scheduled November
2 election, as provided by law. The question as it will appear on the ballot shall be
3 filed with the county clerk not later than the second Tuesday in August preceding
4 the regular election. The question shall be so framed that any voter who wishes to
5 vote for the public service program or any individual public service program, if
6 there be more than one (1), may signify his or her approval by voting "Yes," and
7 any voter who wishes to vote against the public service program or any individual
8 public service program so submitted may do so by voting "No."

9 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
10 READ AS FOLLOWS:

11 The board may impose and collect a license fee or tax upon insurance companies for
12 the privilege of engaging in the business of insurance within the boundaries of the
13 district, pursuant to the provisions of KRS 91A.080, for the purpose of defraying the
14 expenses of the establishment, maintenance, and operation of the district. This shall be
15 done by the passage of a resolution of the board.

16 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
17 READ AS FOLLOWS:

18 (1) The board in any county having a population of thirty thousand (30,000) or more
19 may by resolution impose license fees on franchises, provide for licensing any
20 business, trade, occupation, or profession, and the using, holding, or exhibiting
21 of any animal, article, or other thing, for the purpose of defraying the expenses of
22 the establishment, maintenance, and operation of the district.

23 (2) License fees on business, trade, occupation, or profession shall be imposed
24 pursuant to KRS 68.197.

25 (3) The board in any county having a population of three hundred thousand
26 (300,000) or more may by resolution impose license fees on franchises, provide
27 for licensing any business, trade, occupation, or profession, and the using,

1 holding, or exhibiting of any animal, article, or other thing for the purpose of
2 defraying the expenses of the establishment, maintenance, and operation of the
3 district.

4 (4) License fees on business, trade, occupation, or profession shall be imposed
5 pursuant to the provisions of KRS 68.180.

6 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
7 READ AS FOLLOWS:

8 The consolidated emergency services board of trustees, upon the assumption of office,
9 shall assume all the duties, responsibilities, and liabilities of all previous entities that
10 have been merged into the district. The territories of former districts, cities, and
11 unincorporated territory shall become special taxing districts until their indebtedness
12 has been relieved. Any agreements established by former entities now merged into the
13 district for the provision of services outside the district as established shall remain in
14 effect for terms of service and duration as the agreement created has specified.

15 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
16 READ AS FOLLOWS:

17 The chief of the consolidated emergency services district, subject to directives and
18 guidance from the board, shall be responsible for:

19 (1) The hiring and discipline of all staff;

20 (2) The creation of administrative, personnel, and operational policies, subject to the
21 relevant federal and state administrative regulations and directives from the
22 board; and

23 (3) The preparation of plans for the distribution of personnel, apparatus, and
24 equipment for the board's approval to provide for the optimal provision of
25 emergency services within the district.

26 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
27 READ AS FOLLOWS:

1 *If a majority of the entities that entered into a consolidated emergency services district*
 2 *were participants in the County Employees Retirement System, then the board shall*
 3 *apply to become a participant in the County Employees Retirement System. If a*
 4 *majority of members were not participants in the County Employees Retirement*
 5 *System, then the board may apply for participation in the County Employees*
 6 *Retirement System. Entities that entered into a consolidated emergency services district*
 7 *that were participants in the County Employees Retirement System at the time*
 8 *immediately prior to consolidation will remain participants in the County Employee*
 9 *Retirement System in the existing classification of retirement tier and hazardous duty*
 10 *classification in the consolidated emergency services district at the time of application.*
 11 *Entities petitioning to join an existing consolidated emergency services district shall*
 12 *remain in the retirement system tier and classification at the time of adoption into the*
 13 *consolidated emergency services district.*

14 ➔Section 14. KRS 65.180 is amended to read as follows:

15 As used in KRS 65.182 to 65.190, unless the context otherwise requires, the word "taxing
 16 district" shall mean, and the provisions of KRS 65.182 to 65.190 shall apply to, any
 17 special district authorized by statute to levy ad valorem taxes within the meaning of
 18 Section 157 of the Constitution of Kentucky or to levy ad valorem taxes under the
 19 provisions of KRS 68.602 and governed by the following statutes: KRS 65.182, *Sections*
 20 *1 to 13 of this Act,* 75.010 to 75.260, 107.310 to 107.500, 108.080 to 108.180, 109.115 to
 21 109.190, 173.450 to 173.650, 173.710 to 173.800, 179.700 to 179.990, 212.720 to
 22 212.760, 216.310 to 216.360, 266.010 to 266.990, and 268.010 to 268.990.

23 ➔Section 15. KRS 68.180 is amended to read as follows:

24 (1) The fiscal court of each county *or board of trustees of a consolidated emergency*
 25 *services district* having a population of three hundred thousand (300,000) or more
 26 may by order or resolution impose license fees on franchises, provide for licensing
 27 any business, trade, occupation, or profession, and the using, holding, or exhibiting

1 of any animal, article, or other thing.

2 (2) License fees on such business, trade, occupation, or profession for revenue
3 purposes, except those of the common schools, shall be imposed at a percentage
4 rate not to exceed one and one-fourth percent (1.25%) of:

5 (a) Salaries, wages, commissions, and other compensation earned by persons
6 within the county for work done and services performed or rendered in the
7 county; and

8 (b) The net profits of businesses, trades, professions, or occupations from
9 activities conducted in the county.

10 (3) (a) No public service company that pays an ad valorem tax shall be required to
11 pay a license tax.

12 (b) 1. It is the intent of the General Assembly to continue the exemption from
13 local license fees and occupational taxes that existed on January 1, 2006,
14 for providers of multichannel video programming services or
15 communications services as defined in KRS 136.602 that were taxed
16 under KRS 136.120 prior to January 1, 2006.

17 2. To further this intent, no company providing multichannel video
18 programming services or communications services as defined in KRS
19 136.602 shall be required to pay a license tax. If only a portion of an
20 entity's business is providing multichannel video programming services
21 or communications services, including products or services that are
22 related to and provided in support of the multichannel video
23 programming services or communications services, this exclusion
24 applies only to that portion of the business that provides multichannel
25 video programming services or communications services, including
26 products or services that are related to and provided in support of the
27 multichannel video programming services or communications services

1 or communications services.

2 (c) No license tax shall be imposed upon or collected from any bank, trust
3 company, combined bank and trust company, combined trust, banking and
4 title business in this state, any savings and loan association, whether state or
5 federally chartered.

6 (d) No license tax shall be imposed upon income received by members of the
7 Kentucky National Guard for active duty training, unit training assemblies,
8 and annual field training.

9 (e) No license tax shall be imposed upon income received by precinct workers for
10 election training or work at election booths in state, county, and local primary,
11 regular, or special elections.

12 (f) No license tax shall be imposed upon any profits, earnings, or distributions of
13 an investment fund which would qualify under KRS 154.20-250 to 154.20-
14 284 to the extent any profits, earnings, or distributions would not be taxable to
15 an individual investor, or in other cases where the county is prohibited by law
16 from imposing a license tax.

17 (4) The provisions and limitations of subsection (2) of this section shall not apply to
18 license fees imposed for regulatory purposes as to form and amount, or to the
19 license fees authorized by KRS 160.482 to 160.488.

20 (5) Pursuant to this section, no fiscal court shall regulate any aspect of the manner in
21 which any duly ordained, commissioned, or denominationally licensed minister of
22 religion may perform his or her duties and activities as a minister of religion. Duly
23 ordained, commissioned, or denominationally licensed ministers of religion shall be
24 subject to the same license fees imposed on others in the county on salaries, wages,
25 commissions, and other compensation earned for work done and services performed
26 or rendered.

27 ➔Section 16. KRS 68.197 is amended to read as follows:

- 1 (1) The fiscal court of each county *or board of trustees of a consolidated emergency*
2 *services district* having a population of thirty thousand (30,000) or more may by
3 ordinance *or in the case of a consolidated emergency services district by*
4 *resolution* impose license fees on franchises, provide for licensing any business,
5 trade, occupation, or profession, and the using, holding, or exhibiting of any animal,
6 article, or other thing.
- 7 (2) License fees on business, trade, occupation, or profession for revenue purposes,
8 except those of the common schools, may be imposed at a percentage rate not to
9 exceed one percent (1%) of:
- 10 (a) Salaries, wages, commissions, and other compensation earned by persons
11 within the county for work done and services performed or rendered in the
12 county;
- 13 (b) The net profits of self-employed individuals, partnerships, professional
14 associations, or joint ventures resulting from trades, professions, occupations,
15 businesses, or activities conducted in the county; and
- 16 (c) The net profits of corporations resulting from trades, professions, occupations,
17 businesses, or activities conducted in the county.
- 18 (3) In order to reduce administrative costs and minimize paperwork for employers,
19 employees, and businesses, the fiscal court *or board of trustees of a consolidated*
20 *emergency services district* may provide:
- 21 (a) For an annual fixed amount license fee which a person may elect to pay in lieu
22 of reporting and paying the percentage rate as provided in this subsection on
23 salaries, wages, commissions, and other compensation earned within the
24 county for work done and services performed or rendered in the county; and
- 25 (b) For an annual fixed amount license fee which an individual, partnership,
26 professional association, joint venture, or corporation may elect to pay in lieu
27 of reporting and paying the percentage rate as provided in this subsection on

1 net profits of businesses, trades, professions, or occupations from activities
2 conducted in the county.

3 (4) (a) Licenses imposed for regulatory purposes are not subject to limitations as to
4 form and amount.

5 (b) No public service company that pays an ad valorem tax is required to pay a
6 license tax.

7 (c) 1. It is the intent of the General Assembly to continue the exemption from
8 local license fees and occupational taxes that existed on January 1, 2006,
9 for providers of multichannel video programming services or
10 communications services as defined in KRS 136.602 that were taxed
11 under KRS 136.120 prior to the effective date of this section.

12 2. To further this intent, no company providing multichannel video
13 programming services or communications services as defined in KRS
14 136.602 shall be required to pay a license tax. If only a portion of an
15 entity's business is providing multichannel video programming services
16 including products or services that are related to and provided in support
17 of the multichannel video programming services or communications
18 services, this exclusion applies only to that portion of the business that
19 provides multichannel video programming services or communications
20 services, including products or services that are related to and provided
21 in support of the multichannel video programming services or
22 communications services.

23 (d) No license tax shall be imposed upon or collected from any insurance
24 company except as provided in KRS 91A.080, bank, trust company, combined
25 bank and trust company, combined trust, banking, and title business in this
26 state, or any savings and loan association whether state or federally chartered,
27 or in other cases where the county is prohibited by law from imposing a

1 license fee.

2 (5) No license fee shall be imposed or collected on income received by members of the
3 Kentucky National Guard for active duty training, unit training assemblies, and
4 annual field training, or on income received by precinct workers for election
5 training or work at election booths in state, county, and local primary, regular, or
6 special elections, or upon any profits, earnings, or distributions of an investment
7 fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any
8 profits, earnings, or distributions would not be taxable to an individual investor.

9 (6) Persons who pay a county license fee or a license fee imposed by the board of
10 trustees of a consolidated emergency services district pursuant to this section and
11 who also pay a license fee to a city contained in the county may, upon agreement
12 between the county and the city, credit their city license fee against their county
13 license fee. As used in this subsection, "city contained in the county" shall include a
14 city that is in more than one (1) county.

15 (7) The provisions of subsection (6) of this section notwithstanding, effective with
16 license fees imposed under the provisions of subsection (1) of this section on or
17 after July 15, 1986, persons who pay a county license fee and a license fee to a city
18 contained in the county shall be allowed to credit their city license fee against their
19 county license fee. As used in this subsection, "city contained in the county" shall
20 include a city that is in more than one (1) county.

21 (8) Notwithstanding any statute to the contrary, the provisions of subsection (7) of this
22 section shall apply as follows from March 14, 2012, through July 15, 2014:

23 (a) Any set-off or credit of city license fees against county license fees that exists
24 between a city and county as of March 15, 2012, shall remain in effect as it is
25 on March 15, 2012; and

26 (b) The provisions of subsection (7) of this section shall not apply to a city and
27 county unless both the city and the county have both levied and are collecting

1 license fees on March 15, 2012.

2 (9) A county that enacted an occupational license fee under the authority of KRS
3 67.083 shall not be required to reduce its occupational tax rate when it is
4 determined that the population of the county exceeds thirty thousand (30,000).

5 (10) Notwithstanding any statute to the contrary:

6 (a) In those counties where a license fee has been authorized by a public question
7 approved by the voters, there shall be no credit of a city license fee against a
8 county license fee except by agreement between the county and the city in
9 accordance with subsection (6) of this section;

10 (b) Notwithstanding any provision of the KRS to the contrary, no taxpayer shall
11 be refunded or credited for any overpayment of a license tax paid to any
12 county to the extent the overpayment is attributable to or derives from this
13 section as it existed at any time subsequent to July 15, 1986, and the taxpayer
14 seeks a credit for a license tax paid to a city located within such county, if
15 such refund claim or amended tax return claim was filed or perfected after
16 November 18, 2004, except by agreement between the city and county in
17 accordance with subsection (6) of this section;

18 (c) In those counties where a license fee has been authorized by a public question
19 approved by the voters, the percentage rate of the license fee in effect on
20 January 1, 2005, and any maximum salary limit upon which the license fee is
21 calculated shall remain unchanged for subsequent fiscal years. A percentage
22 rate higher than the percentage rate in effect on January 1, 2005, or any change
23 in the maximum salary limit upon which a license fee is calculated shall be
24 prohibited unless approved by the voters at a public referendum. The
25 percentage rate of a license fee in such counties shall at no time exceed one
26 percent (1%). Any question to be placed before the voters as a result of this
27 paragraph shall be placed on the ballot at a regular election or nominating

1 primary.

2 (d) This subsection shall have retroactive application; and

3 (e) If any provision of this subsection or the application thereof to any person or
4 circumstance is held invalid, the invalidity shall not affect other provisions or
5 application of this section that can be given effect without the invalid
6 provision or application, and to this end the provisions of this subsection are
7 severable.

8 (11) Pursuant to this section, no fiscal court shall regulate any aspect of the manner in
9 which any duly ordained, commissioned, or denominationally licensed minister of
10 religion may perform his or her duties and activities as a minister of religion. Duly
11 ordained, commissioned, or denominationally licensed ministers of religion shall be
12 subject to the same license fees imposed on others in the county on salaries, wages,
13 commissions, and other compensation earned for work done and services performed
14 or rendered.

15 ➔Section 17. KRS 75.020 is amended to read as follows:

16 (1) (a) The territorial limits of an established fire protection district, or a volunteer
17 fire department district, as established under KRS 75.010 to 75.080, may be
18 enlarged or diminished in the following way: The trustees of the fire
19 protection district or of the volunteer fire department district shall file a
20 petition in the county clerk's office of the county in which that district and the
21 territory to be annexed or stricken off, or the greater part thereof, is located,
22 describing the territory to be annexed or stricken and setting out the reasons
23 therefor. Notice of the filing of such petition shall be given by publication as
24 provided for in KRS Chapter 424. On the day fixed in the notice, the county
25 judge/executive shall, if the proper notice has been given, and the publication
26 made, and no written objection or remonstrance is interposed enter an order
27 annexing or striking off the territory described in the petition. Fifty-one

1 percent (51%) or more of the freeholders of the territory sought to be annexed
2 or stricken off may, at any time before the date fixed in the notice, remonstrate
3 in writing, filed in the clerk's office, to the action proposed. If such written
4 remonstrance is filed, the clerk shall promptly give notice to the trustees of the
5 fire protection district, or of the volunteer fire department district, and the
6 county judge/executive shall hear and determine the same. If upon such
7 hearing, the county judge/executive finds from the evidence that a failure to
8 annex or strike off such territory will materially retard the functioning of the
9 fire protection district or the volunteer fire department district and materially
10 affect adversely the owners and the inhabitants of the territory sought to be
11 annexed or stricken off, he or she shall enter an order, granting the annexation
12 or striking off the territory. In the latter event, no new petition to annex or
13 strike off all or any part of the same territory shall be entertained for a period
14 of two (2) years. Any aggrieved person may bring an action in Circuit Court to
15 contest the decision of the county judge/executive.

16 (b) In addition to the provisions of paragraph (a) of this subsection, if the trustees
17 of a fire protection district or a volunteer fire department district, as
18 established under KRS 75.010 to 75.080, are seeking to expand territory into
19 an area served by a fire department created under KRS Chapter 273 and
20 certified under KRS 75.400 to 75.460 or an area that is not contained within
21 the boundaries of the city, but is being served by a city government, then the
22 trustees shall, prior to executing the provisions of paragraph (a) of this
23 subsection, enter into a written agreement with the fire chief and the board of
24 the fire department created under KRS Chapter 273 or with the city
25 government providing fire protection services to the area proposed to be
26 annexed. The agreement shall establish the proposed new boundary as it
27 applies to the fire department created under KRS Chapter 273 or to the area

1 being served by the city fire department. On the day the agreement is
2 finalized, the trustees of the district shall send by certified mail, return receipt
3 requested, or have personally delivered a copy of the agreement to the county
4 judge/executive of the county containing the territory subject to the expansion.
5 The notice required in paragraph (a) of this subsection shall, in lieu of the
6 applicable publication requirements set out in KRS Chapter 424, be published
7 at least once a week, for a minimum of two (2) weeks. The last publication
8 shall occur no less than seven (7) days before the date fixed in the notice.

9 (c) If the trustees approach the fire chief and board of the fire department created
10 under KRS Chapter 273 or the city government in the manner authorized in
11 paragraph (b) of this subsection and are unable to reach an agreement within
12 thirty (30) days, the trustees, or any real property holder of the territory subject
13 to the annexation, may directly seek permission from the real property holders
14 of that territory to continue with the annexation procedure set out in
15 paragraphs (a) and (b) of this subsection by circulating a petition and securing
16 the signatures of at least fifty-one percent (51%) of the real property holders
17 within that territory. The petition shall include the residential address of the
18 signer and the date of the signature. The petition shall be certified by the
19 county clerk if the clerk finds the petition sufficient in form and requisite
20 amount of signatures.

21 (2) The property in any territory annexed to a fire protection district or to a volunteer
22 fire department district shall not be liable to taxation for the purpose of paying any
23 indebtedness incurred by the fire protection district or the volunteer fire department
24 district prior to the date of the annexation of such territory, except such
25 indebtedness as represents the balance owing on the purchase price of firefighting
26 equipment. The property in any territory stricken off from a fire protection district
27 or a volunteer fire department district by the incorporation of or annexation by a city

1 of this Commonwealth shall not be relieved of liability of such taxes as may be
2 necessary to pay its proportionate share of the indebtedness incurred while such
3 territory was a part of that district. Territories stricken by action of the county
4 judge/executive under the provisions of subsection (1) shall be relieved of liability
5 for all indebtedness incurred by the fire protection district or the volunteer fire
6 department district.

7 (3) Any city that maintains a "regular fire department," and has either by incorporation
8 or annexation caused property to be stricken from a fire protection district or a
9 volunteer fire department district, shall comply with KRS 75.022(3).

10 (4) A fire protection district or volunteer fire department district established pursuant to
11 KRS 75.010 to 75.080 shall not expand its service boundaries or annex territory
12 contained in another fire protection district or volunteer fire department district
13 established pursuant to KRS 75.010 to 75.080. However, the territorial limits of two
14 (2) or more fire protection districts, or volunteer fire department districts, as
15 established by KRS 75.010 to 75.080, may be merged into one (1) fire protection
16 district or volunteer fire department district as follows:

17 (a) The trustees of each fire protection district or volunteer fire department
18 district shall file a joint petition in the county clerk's office of the county in
19 which all of the districts and the territory to be merged into one (1) district, or
20 the greater part of the district, is located, describing the territory to be merged
21 into the district and setting out the reasons for the merger;

22 (b) Notice of the filing of the petition shall be given by publication as provided in
23 KRS Chapter 424 for public notices;

24 (c) On the day fixed in the notice, the county judge/executive shall, if proper
25 notice by publication has been given, and no written objection or
26 remonstrance has been made, enter an order merging the fire protection
27 districts or volunteer fire department districts described in the petition;

- 1 (d) Fifty-one percent (51%) or more of the property owners of the territory sought
2 to be merged into one (1) district may, at any time before the date fixed in the
3 notice, remonstrate by written petition to the county clerk regarding their
4 objection to the merger of the districts. If a petition is filed, the county clerk
5 shall give prompt notice to the trustees of the fire protection districts or the
6 volunteer fire protection districts and the county judge/executive;
- 7 (e) The county judge/executive shall schedule a hearing regarding the petition and
8 shall give public notice as to the date, time, and place of the hearing. If after
9 the hearing, the county judge/executive finds from the evidence that a failure
10 to merge the territory will materially retard the functioning of the fire
11 protection districts or volunteer fire department districts and materially affect
12 adversely the owners and the inhabitants of the territory sought to be merged,
13 he or she shall enter an order granting the merger of the districts into one (1)
14 fire protection district or volunteer fire department district; and
- 15 (f) Any aggrieved person may bring an action in Circuit Court to contest the
16 decision of the county judge/executive regarding the merger fire protection
17 districts or volunteer fire department districts.
- 18 (5) *In addition to the merger provisions of subsection (4) of this section, fire*
19 *protection districts established pursuant to KRS 75.010 to 75.080 may also merge*
20 *pursuant to Section 1 to 13 of this Act.*
- 21 (6) The property in any fire protection district or volunteer fire department district
22 which is merged with another fire protection district or volunteer fire department
23 district shall not be liable to taxation for the purpose of paying any indebtedness
24 incurred by the other fire protection district or volunteer fire department district
25 prior to the date of the merger into one (1) fire protection district, except
26 indebtedness which represents a balance owed on the purchase price of firefighting
27 equipment from the other fire protection district or volunteer fire department

1 district.

2 ~~(7)(6)~~ Fire protection districts or volunteer fire department districts that modify
3 service area boundaries by taking any action authorized under this section shall
4 update their service area boundary maps and file them in the manner required by
5 KRS 75.420.

6 ➔Section 18. KRS 78.530 is amended to read as follows:

7 (1) (a) Each county and school board, as defined in KRS 78.510, will participate in
8 the system by appropriate order authorizing such participation which has been
9 entered and duly recorded in the records of the governing body of the county
10 or school board. In cases where general purpose county government does not
11 participate, but the sheriff and his employees or the county clerk and his
12 employees do, the sheriff or the clerk shall retain the order in his office. The
13 authority to issue and properly record such order of participation being hereby
14 granted, permits such county to participate in the system. The effective date of
15 such participation shall be fixed in the order.

16 (b) Notwithstanding any statute to the contrary, after April 9, 2002, the systems
17 shall deny the request for participation of any agency which does not have an
18 irrevocable contract with the state Personnel Cabinet for health insurance
19 coverage under KRS 18A.225 to 18A.229 for its active employees, except
20 that:

21 1. County governments entering the system between April 9, 2002, and
22 July 1, 2003, under this section shall be excluded from this requirement;
23 and

24 2. Agencies entering the system on or after April 9, 2002, which were
25 established by a merger or an interlocal agreement to provide public
26 services shall be excluded from this requirement if ~~any/all~~ agencies
27 entering into the merger or interlocal agreement had an initial

1 participation date with the system prior to April 9, 2002.

2 (2) Once a county or school board participates, it shall thereafter continue to
3 participate, except as provided in KRS 78.535.

4 (3) (a) Concurrent with the adoption of the appropriate resolution to participate in the
5 system, a county may elect the alternate participation plan which will require
6 the county to purchase on behalf of each employee electing coverage, at the
7 time the county elected to participate in the system as provided under KRS
8 78.540(2), current service credit for employment in regular full-time positions
9 between July 1, 1958, and the participation date of the county. Cities which
10 participate in the system pursuant to subsection (6) of this section, KRS
11 79.080, 90.400, 90.410, 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180
12 shall be required to purchase on behalf of each employee electing coverage
13 only as much service credit as the employee has accumulated in the city-
14 administered plan, up to the participation date of the city. Accumulated
15 service shall include service for which an employee received a refund
16 pursuant to KRS 95.620 or 95.866, if such refund has been repaid. If the
17 employee has not yet repaid the refund, he may make payment to the system
18 by any method acceptable to the system, and the requirement of five (5) years
19 of continuous reemployment prior to repayment of refunds shall not apply.
20 Upon the employee's repayment, the city shall purchase the associated service
21 credit for the employee. Cost of such service credit over and above that which
22 would be funded within the existing employer contribution rate shall be
23 determined by the board's consulting actuary. The expense of such actuarial
24 service shall be paid by the county;

25 (b) The county shall establish a payment schedule subject to approval by the
26 board for payment of the cost of such service over and above that which
27 would be funded within the existing employer contribution rate. The

1 maximum period allowed in a payment schedule shall be thirty (30) years,
2 with interest at the rate actuarially assumed by the board. A shorter period is
3 desirable and the board may approve any payment schedule provided it is not
4 longer than a thirty (30) year period, except that cities which participate in the
5 system pursuant to subsection (6) of this section, KRS 79.080, 90.400, 90.410,
6 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180 may, at their option, extend
7 the payment schedule to a maximum of thirty (30) years, may choose to make
8 level payments at the interest rate actuarially assumed by the board over the
9 life of the payment schedule chosen, and may retain employer contributions
10 and the earnings thereon attributable to employees electing coverage;

11 (c) A city entering the system under the alternate participation plan, may, by
12 ordinance, levy a special property tax to pay for current service credit
13 purchased for the period between July 1, 1958, and the participation date of
14 the city. The special tax shall be to pay, within a period of no more than
15 fifteen (15) years, for the cost of such service credit over that which would be
16 funded within the existing employer contribution rate, as determined by the
17 board's consulting actuary. The reason for levying the special tax and the
18 disposition of the proceeds shall be part of the ordinance levying the tax. The
19 special tax shall be rescinded when the unfunded prior service liability has
20 been amortized, and shall not be subject to the provisions of KRS 132.017 or
21 132.027. In addition, the city may maintain any tax, the proceeds of which had
22 been devoted to funding pension obligations under the locally administered
23 plan prior to participation in the system, for the purpose of funding current
24 service costs incurred after the date of participation. The city may increase the
25 tax to pay current service costs which exceed the local pension system costs to
26 which the tax had been devoted, but the city shall not collect from the tax
27 more revenues than are necessary to pay current service costs incurred after

1 the date of participation. The city may continue the tax so long as it
2 participates in the system, and the tax shall not be subject to the provisions of
3 KRS 132.017 or 132.027. The city shall not collect either tax authorized by
4 this paragraph if its participation has been terminated pursuant to KRS
5 61.522;

6 (d) The county may at a later date purchase current service credit from July 1,
7 1958, to the participation date of the county by alternate participation plan for
8 those employees who rejected membership in the system at the time the
9 county first participated. In addition, the employer shall pay the employer
10 contributions on the creditable compensation of the employees who later elect
11 membership from the participation date of the county to the date the member
12 elects participation. The employee shall pay the employee contributions on his
13 creditable compensation from the participation date of the county to the date
14 he elects membership plus interest at the current actuarial rate compounded
15 annually on the employee and employer contributions. Cost of the service
16 credit over and above that which would be funded within the existing
17 employer contribution rate shall be determined by the board's consulting
18 actuary. The expense of the actuarial service shall be paid by the county. The
19 county shall pay the cost of the service by lump sum or by adding it to the
20 existing payment schedule established under paragraph (b) of this subsection;

21 (e) A county which did not participate by alternate participation may, until July 1,
22 1991, purchase current service credit for those employees who rejected
23 membership in the system at the time the county first participated. The
24 employer shall pay the employer contributions on the creditable compensation
25 of the employees who later elect membership from the participation date of
26 the county to the date the member elects participation. The employee shall pay
27 the employee contributions on his creditable compensation from the

1 participation date of the county to the date he elects membership plus interest
2 at the current actuarial rate compounded annually on the employee and
3 employer contributions. The county shall pay the cost of the service credit by
4 lump sum or by establishing a payment schedule under paragraph (b) of this
5 subsection; and

6 (f) A county which participated in the system but did not elect the alternate
7 participation plan may at a later date elect the alternate participation plan. In
8 this case, the county shall purchase on behalf of each employee participating
9 in the system current service credit for employment in regular full-time
10 positions between July 1, 1958, or a later date selected by the county
11 government, and the participation date of the county. The county shall also
12 purchase, for employees who decide to participate when the county elects the
13 alternate participation plan, current service credit for employment in regular
14 full-time positions between July 1, 1958, or the later date selected by the
15 county government, and the participation date of the county. In addition, the
16 county shall pay the employer contributions on the creditable compensation of
17 the employees who later elect membership from the participation date of the
18 county to the date the member elects participation. The employee shall pay the
19 employee contributions on his creditable compensation from the participation
20 date of the county to the date he elects membership plus interest at the current
21 actuarial rate compounded annually on the employee and employer
22 contributions. Cost of the service credit over that which would be funded
23 within the existing employer contribution rate shall be determined by the
24 board's consulting actuary. The expense of the actuarial service shall be paid
25 by the county. The county shall pay the cost of the service by lump sum or by
26 a payment schedule established under paragraph (b) of this subsection.

27 (g) Notwithstanding any other provision of the Kentucky Revised Statutes to the

1 contrary, this subsection shall not apply to members who begin participating
2 in the system on or after January 1, 2014, and no county that elects to
3 participate in the system on or after January 1, 2014, shall be eligible to
4 participate under the alternate participation plan.

5 (4) Every school board not participating on June 21, 1974, shall enact a resolution of
6 participation no later than July 1, 1976.

7 (5) The order of the governing body of a county, as provided for in subsection (1) of
8 this section, may exclude from participation in the system hospitals and any other
9 semi-independent agency. Each such excluded agency shall be identified in the
10 order authorizing participation and such excluded agency may participate in the
11 system as a separate agency.

12 (6) (a) After August 1, 1988, except as permitted by KRS 65.156, no local
13 government retirement system shall be created pursuant to KRS 70.580 to
14 70.598 and any local government retirement systems created pursuant to KRS
15 79.080, 90.400, 90.410, 95.768, and KRS Chapter 96 shall be closed to new
16 members. New employees who would have been granted membership in such
17 retirement systems shall instead be granted membership in the County
18 Employees Retirement System. Employees who would have been granted
19 membership in retirement systems created pursuant to KRS 95.768, or any
20 other policemen or firefighters who would have been granted membership in
21 retirement systems created pursuant to KRS 79.080, 90.400, or 90.410, or any
22 such policemen or firefighter members employed on or prior to August 1,
23 1988, who transfer to the County Employees Retirement System, shall be
24 certified by their employers as working in hazardous positions. Each city
25 participating in the County Employees Retirement System pursuant to this
26 subsection shall execute the appropriate order authorizing such participation,
27 shall select the alternate participation plan as described in subsection (3) of

1 this section, and shall pay for the actuarial services necessary to determine the
2 additional costs of alternate participation. Cities which closed their local
3 pension systems to new members and participated in the system prior to July
4 15, 1988, whose employees at the time of transition were given the option to
5 join the system shall not be required to offer said employees a second option
6 to join the system.

7 (b) Notwithstanding any statute to the contrary, after April 9, 2002, the systems
8 shall deny the request for participation of any agency which does not have an
9 irrevocable contract with the state Personnel Cabinet for health insurance
10 coverage under KRS 18A.225 to 18A.229 for its active employees, except that
11 agencies entering the system on or after April 9, 2002, which were established
12 by a merger or an interlocal agreement to provide public services shall be
13 excluded from this requirement if all agencies entering into the merger or
14 interlocal agreement had an initial participation date with the system prior to
15 April 9, 2002.

16 (7) Any city which closed a police and firefighter pension plan to new members
17 between January 1, 1988, and July 15, 1988, and participated in the system under
18 the alternate participation plan shall, if its police and firefighters were not covered
19 by Social Security, or any city which operates a pension under KRS 90.400 or
20 90.410, shall be required to certify that its police and firefighters are working in
21 hazardous positions, and shall offer its police and firefighters in service at the time
22 of entry a second option to participate under hazardous duty coverage if they were
23 not offered hazardous duty coverage at the time of their first option. The provisions
24 of subsection (3)(b) of this section notwithstanding, a city affected by this
25 subsection may, at its option, extend its payment schedule to the County Employees
26 Retirement System for alternate participation to thirty (30) years at the rate
27 actuarially assumed by the board.

1 ➔Section 19. KRS 91A.080 is amended to read as follows:

- 2 (1) The legislative body of each local government *or board of trustees of a*
3 *consolidated emergency services district* which elects to impose and collect license
4 fees or taxes upon insurance companies for the privilege of engaging in the business
5 of insurance may, except as provided in subsection (10) of this section, enact or
6 change its license fee or rate of tax to be effective July 1 of each year on a
7 prospective basis only and shall file with the commissioner of insurance at least one
8 hundred (100) days prior to the effective date, a copy of all ordinances and
9 amendments which impose a license fee or tax. No less than eighty-five (85) days
10 prior to the effective date, the commissioner of insurance shall promptly notify each
11 insurance company engaged in the business of insurance in the Commonwealth of
12 those local governments which have elected to impose the license fees or taxes and
13 the current amount of the license fee or rate of tax.
- 14 (2) Any license fee or tax imposed by a local government *or consolidated emergency*
15 *services district* upon an insurance company with respect to life insurance policies
16 may be based upon the first year's premiums, and, if so based, shall be applied to the
17 amount of the premiums actually collected within each calendar quarter upon the
18 lives of persons residing within the corporate limits of the local government *or*
19 *consolidated emergency services district.*
- 20 (3) Any license fee or tax imposed by a local government *or consolidated emergency*
21 *services district* upon any insurance company with respect to any policy which is
22 not a life insurance policy shall be based upon the premiums actually collected by
23 the insurance company within each calendar quarter on risks located within the
24 corporate limits of the local government on those classes of business which the
25 insurance company is authorized to transact, less all premiums returned to
26 policyholders. In determining the amount of license fee or tax to be collected and to
27 be paid to the local government *or consolidated emergency services district,* the

1 insurance company shall use the tax rate effective on the first day of the policy term.
2 When an insurance company collects a premium as a result of a change in the policy
3 during the policy term, the tax rate used shall be the rate in effect on the effective
4 date of the policy change. With respect to premiums returned to policyholders, the
5 license fee or tax shall be returned by the insurance company to the policyholder pro
6 rata on the unexpired amount of the premium at the same rate at which it was
7 collected and shall be taken as a credit by the insurance company on its next
8 quarterly report to the local government or consolidated emergency services
9 district.

10 (4) The Department of Insurance shall, by administrative regulation, provide for a
11 reasonable collection fee to be retained by the insurance company or its agent as
12 compensation for collecting the tax, except that the collection fee shall not be more
13 than fifteen percent (15%) of the fee or tax collected and remitted to the local
14 government or two percent (2%) of the premiums subject to the tax, whichever is
15 less. To facilitate computation, collection, and remittance of the fee or tax and
16 collection fee provided in this section, the fees or taxes set out in subsection (1), (2),
17 or (3) of this section, together with the collection fee in this section, may be rounded
18 off to the nearest dollar amount.

19 (5) Pursuant to KRS 304.3-270, if any other state retaliates against any Kentucky
20 domiciliary insurer because of the requirements of this section, the commissioner of
21 insurance shall impose an equal tax upon the premiums written in this state by
22 insurers domiciled in the other state.

23 (6) Accounting and reporting procedures for collection and reporting of the fees or
24 taxes and the collection fee herein provided shall be determined by administrative
25 regulations promulgated by the Department of Insurance.

26 (7) (a) Upon written request of the legislative body of any local government or board
27 of trustees of the consolidated emergency services district, at the expense of

1 the requesting local government or board, which shall be paid in advance by
2 the local government or board to the Department of Insurance, the
3 Department of Insurance shall audit, or cause to be audited by contract with
4 qualified auditors, the books or records of the insurance companies or agents
5 subject to the fee or tax to determine whether the fee or tax is being properly
6 collected and remitted, and the findings of the audit shall be reported to the
7 local government or consolidated emergency services district and the
8 insurance company subject to the audit. An insurance company may appeal
9 the findings of the audit conducted under this subsection and any assessment
10 issued pursuant to the audit findings in accordance with the provisions of KRS
11 91A.0804(5).

12 (b) Willful failure to properly collect and remit the fee or tax imposed by a local
13 government or consolidated emergency services district pursuant to the
14 authority granted by this section shall constitute grounds for the revocation of
15 the license issued to an insurance company or agent under the provisions of
16 KRS Chapter 304.

17 (c) If the Department of Insurance finds that an insurance company has willfully
18 engaged in a pattern of business conduct that fails to properly collect and
19 remit the fee or tax imposed by a local government or consolidated
20 emergency services district pursuant to the authority granted by this section,
21 the Department of Insurance may assess the responsible insurance company an
22 appropriate penalty fee no greater than ten percent (10%) of the additional
23 license fees or taxes determined to be owed to the local government or
24 consolidated emergency services district. The penalty fee shall be paid to the
25 local government or consolidated emergency services district owed the
26 license fee or tax less any administrative costs of the Department of Insurance
27 in enforcing this section. Any insurance company or agent held responsible for

1 a penalty fee may request a hearing with the Department of Insurance to be
2 conducted pursuant to KRS 304.2-310 to 304.2-370 regarding the finding of a
3 willful violation and the subsequent penalty fee.

4 (8) The license fees or taxes provided for by subsections (2) and (3) of this section shall
5 be due thirty (30) days after the end of each calendar quarter. Annually, by March
6 31, each insurance company shall furnish each local government **or consolidated**
7 **emergency services district** to which the tax or fee is remitted with a breakdown of
8 all collections in the preceding calendar year for the following categories of
9 insurance:

- 10 (a) Casualty;
11 (b) Automobile;
12 (c) Inland marine;
13 (d) Fire and allied perils;
14 (e) Health; and
15 (f) Life.

16 (9) Any license fee or tax not paid on or before the due date shall bear interest at the tax
17 interest rate as defined in KRS 131.010(6) from the date due until paid. Such
18 interest payable to the local government **or consolidated emergency services**
19 **district** is separate of penalties provided for in subsection (7) of this section. In
20 addition, the local government may assess a ten percent (10%) penalty for a tax or
21 fee not paid within thirty (30) days after the due date.

22 (10) No license fee or tax imposed under this section shall apply to premiums:
23 (a) Received on policies of group health insurance provided for state employees
24 under KRS 18A.225;
25 (b) Received on policies insuring employers against liability for personal injuries
26 to their employees or the death of their employees caused thereby, under the
27 provisions of KRS Chapter 342;

- 1 (c) Received on health insurance policies issued to individuals;
- 2 (d) Received on policies issued through Kentucky Access created in Subtitle 17B
3 of KRS Chapter 304;
- 4 (e) Received on policies for high deductible health plans as defined in 26 U.S.C.
5 sec. 223(c)(2);
- 6 (f) Received on multistate surplus lines, defined as non-admitted insurance as
7 provided in Title V, Subtitle B, the Non-Admitted and Reinsurance Reform
8 Act of 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection
9 Act, Pub. L. No. 111-203;
- 10 (g) Paid to insurance companies or surplus lines brokers by nonprofit self-
11 insurance groups or self-insurance entities whose membership consists of
12 school districts; or
- 13 (h) Paid to insurance companies or surplus lines brokers by nonprofit self-
14 insurance groups or self-insurance entities whose membership consists of
15 cities, counties, charter county governments, urban-county governments,
16 consolidated local governments, unified local governments, school districts, or
17 any other political subdivisions of the Commonwealth.
- 18 (11) No county *or consolidated emergency services district* may impose the tax
19 authorized by this section upon the premiums received on policies issued to public
20 service companies which pay ad valorem taxes.
- 21 (12) Insurance companies which pay license fees or taxes pursuant to this section shall
22 credit city license fees or taxes against the same license fees or taxes levied by the
23 county, when the license fees or taxes are levied by the county on or after July 13,
24 1990. For purposes of this subsection, a consolidated local government, urban-
25 county government, charter county government, or unified local government shall
26 be considered a county.
- 27 (13) No license fee or tax imposed under this section shall apply to premiums paid to

1 insurers of municipal bonds, leases, or other debt instruments issued by or on behalf
 2 of a city, county, charter county government, urban-county government,
 3 consolidated local government, special district, nonprofit corporation, or other
 4 political subdivision of the Commonwealth. However, this exemption shall not
 5 apply if the bonds, leases, or other debt instruments are issued for profit or on behalf
 6 of for-profit or private organizations.

7 (14) A county may impose a license fee or tax covering the entire county or may limit
 8 the application of the fee or tax to the unincorporated portions of the county.

9 ➔Section 20. KRS 95A.500 is amended to read as follows:

10 **(1)** If two (2) or more volunteer fire departments merge under the provisions of KRS
 11 95A.500 to 95A.560 after January 1, 2000, and each is qualified to receive the
 12 volunteer fire department aid under KRS 95A.262(2) at the time of merger, then the
 13 volunteer fire department aid shall be disbursed according to the provisions of KRS
 14 95A.500 to 95A.560 as long as the resulting district remains qualified to receive the
 15 volunteer fire department aid.

16 **(2)** ***The provisions of KRS 95A.500 to 95A.560 shall apply to any volunteer fire***
 17 ***departments formed under the provisions of KRS Chapter 75 or 273 which merge***
 18 ***into a consolidated emergency services district. The consolidated emergency***
 19 ***services district shall receive the qualified shares as if it were a volunteer fire***
 20 ***district.***

21 ➔Section 21. KRS 118.305 is amended to read as follows:

22 (1) Except as provided in KRS 118.345, and subject to the provisions of subsections
 23 (2), (3), and (4) of this section, the county clerk of each county shall cause to be
 24 printed for the voting machines and on the absentee ballots for the regular election
 25 the names of the following persons:

26 (a) Candidates of a political party, as defined in KRS 118.015, who have received
 27 certificates of nomination at the preceding primary, or certificates of

- 1 nomination under KRS 118.185, and whose certificates of nomination have
2 been filed with the Secretary of State or the appropriate county clerk;
- 3 (b) Candidates of a political party, as defined in KRS 118.015, who have been
4 nominated for an unexpired term in a manner determined by the governing
5 authority of the party, as provided in KRS 118.115, and whose evidences of
6 nomination have been filed with the Secretary of State or the appropriate
7 county clerk within the time prescribed in this chapter;
- 8 (c) Candidates of a political party, as defined in KRS 118.015, who have been
9 nominated by the governing authority of the party to fill a vacancy in the
10 candidacy of a person nominated at the preceding primary election, as
11 provided in KRS 118.105, and whose certificates of nomination have been
12 filed with the Secretary of State or the appropriate county clerk, by at least the
13 date provided by the election law generally for such filing;
- 14 (d) Candidates who have been nominated by a political organization as provided
15 in KRS 118.325 and whose certificates or petitions of nomination have been
16 filed with the Secretary of State or the appropriate county clerk within the
17 time prescribed in this chapter;
- 18 (e) Independent candidates who have been nominated by petition as provided in
19 KRS 118.315, and whose petitions of nomination have been filed with the
20 Secretary of State or the appropriate county clerk within the time prescribed in
21 this chapter;
- 22 (f) Successful nominees of all nonpartisan primaries which shall have been
23 conducted;
- 24 (g) Candidates who have filed a petition of candidacy as shall be required to fill a
25 vacancy which shall appear on the ballot;
- 26 (h) The county clerk shall determine whether the name of any replacement
27 candidate who has been nominated as provided in KRS 118.105(5) may be

1 placed on the machine ballot or ballot cards and whether the voting machine
2 may be reprogrammed to count the votes cast for that candidate or whether the
3 ballot or ballot cards must be reprinted to accommodate votes cast for any
4 replacement candidate and shall take the appropriate action to accommodate
5 the replacement of any candidate. If the county clerk determines that the name
6 of any replacement candidate cannot be accommodated on the existing ballot
7 or ballot cards and if there is insufficient time before the election to reprint the
8 entire ballot, the county clerk shall request approval to use supplemental paper
9 ballots for voting for that office only in the same manner as permitted for
10 other situations as provided in KRS 118.215(5), and, if approved, shall have
11 an adequate number of supplemental paper ballots printed for voting for that
12 office and only votes cast for that office by means of the supplemental paper
13 ballots shall be tabulated and recorded by the precinct election officers and
14 county board of elections. All actions by a county clerk, the State Board of
15 Elections, and the Secretary of State which are necessary to provide for voting
16 at a regular election for candidates nominated pursuant to KRS 118.105(5)
17 shall be carried out with all possible speed. When a candidate has been
18 replaced as provided in KRS 118.105(5) after absentee ballots have been
19 printed and distributed for the regular election, neither the precinct election
20 officers nor the county board of elections shall tabulate or record any absentee
21 votes cast for the candidate who was replaced. If ballots are reprinted or
22 supplemental paper ballots are printed, or if voting machines must be
23 reprogrammed to count the votes cast for a replacement candidate, the costs
24 for the printing and reprogramming shall be paid by the political party who
25 has nominated a replacement candidate, or proportionately by each political
26 party if each party nominates a replacement candidate;

27 (i) Candidates for President and Vice President of the United States, of those

1 political parties and organizations who have nominated presidential electors as
2 provided in KRS 118.325, if the certificate of nomination of the electors has
3 been filed with the Secretary of State within the time prescribed in this
4 chapter;

5 (j) Candidates for soil and water district supervisors who have been nominated
6 by petition as provided in KRS 262.210;~~and~~

7 (k) Candidates for city office for which no nonpartisan primary has been
8 conducted in a city which requires nonpartisan city elections; **and**

9 **(l) Candidates for open seats on the boards of trustees of consolidated**
10 **emergency services districts.**

11 (2) Any candidate for city office who is defeated in a partisan or nonpartisan primary
12 shall be ineligible as a candidate for the same office in the regular election.

13 (3) Candidates for members of boards of education shall have their names printed on
14 ballot labels and absentee ballots for the regular election only after filing as
15 provided in KRS 160.220.

16 (4) Except as provided in KRS 118.105 and 118.115, no candidate's name shall be
17 printed upon the ballot labels and absentee ballots for any regular election as the
18 nominee of any political party, as defined in KRS 118.015, or under the emblem of
19 any political party, as so defined, except those candidates who have been duly and
20 regularly nominated as nominees of that party at a primary held as provided in this
21 chapter.

22 (5) No county clerk shall knowingly cause to be printed, upon the ballot labels or
23 absentee ballots for any regular election, the name of any candidate of a political
24 party, as defined in KRS 118.015, who has not been nominated in the manner
25 provided in the primary election laws or the name of any candidate who is not in
26 compliance with the restrictions concerning party registration and candidacy
27 provided in of KRS 118.315(1).

1 (6) The names of candidates for President and Vice President shall be certified in lieu
2 of certifying the names of the candidates for presidential electors.

3 (7) When a vacancy occurs in an elective office which is required by law to be filled
4 temporarily by appointment, the officer or body designated by law to make the
5 appointment, or in the case of an office to be filled by appointment from a list of
6 nominations, the officer or body designated by law to make the nominations, shall
7 immediately notify in writing both the county clerk and Secretary of State of the
8 vacancy.

9 (8) A judge who elected to retire as a Senior Status Special Judge in accordance with
10 KRS 21.580 shall not become a candidate or a nominee for any elected office
11 during the five (5) year term prescribed in KRS 21.580(1)(a)1., regardless of the
12 number of days served by the judge acting as a Senior Status Special Judge.

13 ➔Section 22. KRS 118.315 is amended to read as follows:

14 (1) A candidate for any office to be voted for at any regular election may be nominated
15 by a petition of electors qualified to vote for him or her, complying with the
16 provisions of subsection (2) of this section. No person whose registration status is
17 as a registered member of a political party shall be eligible to election as an
18 independent, or political organization, or political group candidate, nor shall any
19 person be eligible to election as an independent, or political organization, or
20 political group candidate whose registration status was as a registered member of a
21 political party on January 1 immediately preceding the regular election for which
22 the person seeks to be a candidate. This restriction shall not apply to candidates to
23 those offices specified in KRS 118.105(7), for supervisor of a soil and water
24 conservation district, for candidates for mayor or legislative body in cities of the
25 home rule class, or to candidates participating in nonpartisan elections.

26 (2) The form of the petition shall be prescribed by the State Board of Elections. It shall
27 be signed by the candidate and by registered voters from the district or jurisdiction

1 from which the candidate seeks nomination. The petition shall include a declaration,
2 sworn to by the candidate, that he or she possesses all the constitutional and
3 statutory requirements of the office for which the candidate has filed. Signatures for
4 a petition of nomination for a candidate seeking any office, excluding President of
5 the United States in accordance with KRS 118.591(1), shall not be affixed on the
6 document to be filed prior to the first Wednesday after the first Monday in
7 November of the year preceding the year in which the office will appear on the
8 ballot. Signatures for nomination papers shall not be affixed on the document to be
9 filed prior to the first Wednesday after the first Monday in November of the year
10 preceding the year in which the office will appear on the ballot. A petition of
11 nomination for a state officer, or any officer for whom all the electors of the state
12 are entitled to vote, shall contain five thousand (5,000) petitioners; for a
13 representative in Congress from any congressional district, or for any officer from
14 any other district except as herein provided, four hundred (400) petitioners; for a
15 county officer, member of the General Assembly, or Commonwealth's attorney, one
16 hundred (100) petitioners; for a soil and water conservation district supervisor,
17 twenty-five (25) petitioners; for a member of the board of trustees of a
18 consolidated emergency services district, twenty-five (25) petitioners; for a city
19 officer or board of education member, two (2) petitioners; and for an officer of a
20 division less than a county, except as herein provided, twenty (20) petitioners. It
21 shall not be necessary that the signatures of the petition be appended to one (1)
22 paper. Each petitioner shall include the date he or she affixes the signature, address
23 of residence, and date of birth. Failure of a voter to include the signature affixation
24 date, date of birth, and address of residence shall result in the signature not being
25 counted. If any person joins in nominating, by petition, more than one (1) nominee
26 for any office to be filled, he or she shall be counted as a petitioner for the candidate
27 whose petition is filed first, except a petitioner for the nomination of candidates for

1 soil and water conservation district supervisors may be counted for every petition to
2 which his or her signature is affixed.

3 (3) Titles, ranks, or spurious phrases shall not be accepted on the filing papers and shall
4 not be printed on the ballots as part of the candidate's name; however, nicknames,
5 initials, and contractions of given names may be accepted as the candidate's name.

6 (4) The Secretary of State and county clerks shall examine the petitions of all
7 candidates who file with them to determine whether each petition is regular on its
8 face. If there is an error, the Secretary of State or the county clerk shall notify the
9 candidate by certified mail within twenty-four (24) hours of filing.

10 (5) A judge who elected to retire as a Senior Status Special Judge in accordance with
11 KRS 21.580 shall not become a candidate or a nominee for any elected office
12 during the five (5) year term prescribed in KRS 21.580(1)(a)1., regardless of the
13 number of days served by the judge acting as a Senior Status Special Judge.

14 ➔Section 23. KRS 134.119 is amended to read as follows:

15 (1) (a) The sheriff shall be the collector of all state, county, county school district,
16 and other taxing district property taxes unless the payment is directed by law
17 to be made to some other person. The sheriff may contract to collect taxes on
18 behalf of cities, independent school districts, or any other governmental unit
19 with the authority to levy a property tax, if the enabling legislation authorizing
20 imposition of the tax permits the governmental unit to contract for the
21 performance of tax collection duties.

22 (b) The provisions of this chapter relating to the collection of property taxes shall
23 apply to other property tax collectors to the extent that the governing body of
24 the city, school district, or taxing district appointing the tax collector has not
25 adopted alternative tax collection processes and procedures.

26 (2) Payment to the sheriff may be provided by any commercially acceptable means. The
27 sheriff may limit the acceptable methods of payment to those that ensure that

1 payment cannot be reversed or nullified due to insufficient funds.

- 2 (3) (a) 1. The sheriff shall accept payment from the day on which the tax bills are
3 mailed by the sheriff to the taxpayer as provided in KRS 133.220 and
4 133.230, through the day on which the sheriff files the uncollected tax
5 claims with the county clerk pursuant to KRS 134.122. During this time
6 period, the sheriff may accept full or partial payment for any outstanding
7 taxes or tax claims.
- 8 2. a. Any payments received by the sheriff by mail that:
- 9 i. Are received after the day on which uncollected tax claims
10 are filed with the county clerk pursuant to KRS 134.122; and
11 ii. Have a postmark that reflects a date on or before the day the
12 uncollected tax claims are filed with the county clerk;
13 shall be accepted and processed, and the amount due shall be the
14 amount due immediately before the transfer of the uncollected tax
15 claims by the sheriff to the county clerk.
- 16 b. Payments described in this subparagraph may be processed as
17 agreed by the sheriff and county clerk.
- 18 c. Absent an agreement between the sheriff and the county clerk, the
19 payment shall be accepted and processed by the sheriff.
- 20 d. If the sheriff accepts and processes the payment, the sheriff shall
21 notify the county clerk, and the county clerk shall update his or her
22 records to reflect payment of the certificate of delinquency.
- 23 e. The sheriff and the county clerk shall reconcile all transactions
24 addressed by this subparagraph by preparation of an addendum to
25 the original reconciliation provided by the sheriff to the county
26 clerk at the time of transfer. The addendum shall be prepared thirty
27 (30) days after the original transfer, and shall be filed by the county

1 clerk in the clerk's order book.

2 (b) All payments received by the sheriff shall be entered immediately by the
3 sheriff on his or her books. Partial payments shall be credited against the total
4 amount due and shall be apportioned by the sheriff among the entities
5 included on the tax bill in the same proportion the amount due to each bears to
6 the amount paid.

7 (c) The acceptance of any payment before the taxpayer's tax liability has been
8 finally determined shall not imply that the payment was the correct amount
9 due and shall not preclude the assessment and collection of additional taxes
10 due or the refund of any part of the amount paid that is in excess of the
11 amount determined to be due.

12 (d) The sheriff may accept payment of any tax or tax claim from any other person
13 on behalf of the taxpayer. Any person making a payment on behalf of a
14 taxpayer may, upon the written notarized request of the taxpayer, be treated as
15 a transferee as provided in KRS 134.121.

16 (e) The sheriff may accept payment of any amount due on a delinquent tax claim
17 from any of the persons described in subparagraphs 1., 2., and 3. of this
18 paragraph without permission of the taxpayer. The person seeking to make the
19 payment shall provide sufficient proof to the sheriff that he or she meets the
20 requirements to pay under this paragraph. The sheriff shall be held harmless if
21 he or she relies upon information provided and accepts payment from a person
22 not qualified to pay under this paragraph. Any person listed in subparagraph
23 1., 2., or 3. of this paragraph who makes full payment, may, upon written
24 request to the sheriff, be treated as a transferee under KRS 134.121:

25 1. Any person holding a legal or equitable estate in the real or personal
26 property upon which the delinquent taxes are due, other than a person
27 whose only interest in the property is a lien resulting from ownership of

- 1 a prior year certificate of delinquency;
- 2 2. A tenant or lawful occupant of real property, or a bailee or person in
3 possession of any personal property upon which the delinquent taxes are
4 due; or
- 5 3. Any person having a mortgage on real property or a security interest in
6 real or personal property upon which the delinquent taxes are due.
- 7 (4) If, upon expiration of the five percent (5%) penalty period established by KRS
8 134.015(2)(c), the real property tax delinquencies of a sheriff exceed fifteen percent
9 (15%) of the amount charged to the sheriff for collection, the department may
10 require the sheriff to make additional reasonable collection efforts. If the sheriff
11 fails to initiate additional reasonable collection efforts within fifteen (15) business
12 days following notification from the department that such efforts shall be made, the
13 department may assume responsibility for collecting the delinquent taxes. If the
14 department assumes the responsibility for collecting delinquent taxes, the
15 department shall receive the amounts that would otherwise be paid to the sheriff as
16 fees or commissions for the collection of tax bills.
- 17 (5) In collecting delinquent taxes, the sheriff:
- 18 (a) May distraint and sell personal property owned by a delinquent taxpayer in the
19 amount necessary to satisfy the delinquent tax claim. The sale shall be made
20 under execution for cash. If the personal property of the delinquent taxpayer
21 within the county is not sufficient to satisfy the delinquent tax claim, the
22 sheriff may sell so much of the personal property as is available; and
- 23 (b) Shall retain any amounts that come into his or her possession payable to a
24 delinquent taxpayer, other than claims allowed for attendance as a witness,
25 and shall apply such amounts to the amount due on the delinquent tax claim.
- 26 (6) (a) As compensation for collecting property taxes the sheriff shall be paid the
27 following amounts, regardless of whether the amounts are collected by the

1 sheriff prior to filing the tax claims with the county clerk, or by the county
2 clerk after the tax claims become certificates of delinquency or personal
3 property certificates of delinquency:

- 4 1. From the Commonwealth the sheriff shall be paid four and one-quarter
5 percent (4.25%) of the amount collected on behalf of the
6 Commonwealth;
- 7 2. From counties the sheriff shall be paid four and one-quarter percent
8 (4.25%) of the amount collected on behalf of the counties;
- 9 3. The sheriff shall be compensated as provided by law or as negotiated if
10 negotiation is permitted by law, for collecting taxes on behalf of any
11 taxing district;
- 12 4. The sheriff shall be compensated as provided in KRS 160.500 for
13 collecting school district taxes;~~and~~
- 14 5. The sheriff shall be compensated as provided in KRS 91A.070 for
15 collecting taxes on behalf of any city; **and**
- 16 **6. The sheriff shall be compensated as provided in Section 8 of this Act**
17 **for collecting taxes on behalf of any consolidated emergency services**
18 **district.**

19 (b) The sheriff shall include the amounts he or she is entitled to under the
20 provisions of paragraph (a) of this subsection as part of the delinquent tax
21 claims filed with the county clerk. The amount so included shall become a
22 part of the certificate of delinquency, and shall be paid by the person paying
23 the certificate of delinquency rather than the taxing jurisdiction for which the
24 taxes were collected.

25 (7) As additional compensation for the collection of delinquent taxes, the sheriff shall
26 be entitled to an amount equal to ten percent (10%) of the total taxes due plus ten
27 percent (10%) of the ten percent (10%) penalty for all delinquent taxes. This fee

1 shall be added to the total amount due, and shall be paid by the person paying the
2 tax claim if payment is made to the sheriff, or the certificate of delinquency or
3 personal property certificate of delinquency if payment is made after the tax claim
4 has been filed with the county clerk.

5 (8) If, in the process of collecting property taxes, the sheriff becomes aware of a new
6 address for a taxpayer, the sheriff shall provide, on a form provided by the
7 department, the information relating to the new address to the property valuation
8 administrator, who shall update his or her records to reflect the new address.